

Recommendations Adopted by the Commission
Report of the Private-Sector Partnership Subcommittee

The Private-Sector Partnership Subcommittee submits the following recommendations to the Commission:

1. ***Maximizing the Use of the Private Sector.*** *The Subcommittee recommends that those Postal Service functions that can be performed better and at lower cost by the private sector be outsourced to the private sector.*
2. ***Utilizing the Postal Service's Core Strength: "The First Mile" and "The Last Mile."*** *The Subcommittee recommends that the Postal Service continue to explore opportunities to utilize its core strengths in the "first" and "last" mile of the mail delivery stream through the development of mutually beneficial partnerships with the private sector.*
3. ***Expanding Retail Access to Postal Products and Services.*** *The Subcommittee recommends that the Postal Service develop additional private-sector partnerships to better serve the consumer and expand access to postal products and services beyond the traditional post office.*
4. ***Worksharing Discounts for Non-Competitive Products.*** *The Subcommittee endorses the Postal Service's development and offering of worksharing discounts. The Subcommittee recommends that the Postal Service continue to look for opportunities to offer discounts for additional workshared products and to expand opportunities for small mailers to participate in them, particularly as new technologies are developed, that reflect lowest combined private sector-postal costs. The Subcommittee also recommends that the new Postal Regulatory Board be required to conduct an expedited, after-the-fact review of a new worksharing discount upon written complaint by a party that the discount exceeds the costs avoided by the Postal Service. A discount that exceeds the costs avoided by the Postal Service should not be permitted. In addition, the Subcommittee urges the Postal Service to ensure that the expected savings from worksharing discounts are actually captured in the form of reduced costs.*
5. ***Negotiated Service Agreements for Non-Competitive Products.*** *The Subcommittee recommends that the Postal Service be given greater flexibility to enter into negotiated service agreements for non-competitive products. Specifically, the Subcommittee recommends allowing the Postal Service to enter into agreements based on general criteria established by the new Postal Regulatory Board. The Postal Regulatory Board should conduct an expedited, after-the-fact review of such agreements when a written complaint is filed.*

6. ***Procurement Reform.*** *The Commission believes that there is a significant opportunity to improve the Postal Service's "bottom-line" through revision of its procurement regulations and the adoption of commercial best practices. Therefore, the Subcommittee strongly recommends that the Postal Service revise its purchasing regulations to maximize the flexibility given to it under current law and to reflect commercial best practices. The Subcommittee also recommends that Congress strongly support Postal Service procurement reform in acknowledgement of its substantial benefit to all ratepayers.*